



CITY OF HOUSTON

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Mayor

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October 9, 2014

Mr. David Askanase
Trustee
c/o Hughes Watters Askanase
333 Clay, 29th Floor
Houston, TX 77002-2571

Re: Application for Sewer Service
Estimated Costs

Dear Mr. Askanase:

This revised letter shall clarify the Application for Wastewater Services that you submitted for 4904 Griggs Rd., Houston, Texas 77021. The services requested are for the use of U.S. Environmental Protection Agency (EPA) while they conduct cleanup operations to protect public health and the environment which will also benefit the CES Environmental Services, Inc. Chapter 7 Estate.

First, the City has agreed to waive any security deposit for as long as the site remains subject to the Bankruptcy Court's jurisdiction.

Second, the City understands that any payment as an Administrative Expense will be subject to the Bankruptcy Court's approval. We anticipate allowing the charges to accrue during EPA's activities and then, once service is disconnected, seeking Court approval for a lump sum payment. The Estate will receive monthly invoices allowing it to track the actual costs as they occur but will not be charged late fees or be subject to interruption of service due to non-payment.

Third, you have requested an estimate of the charges. To the extent possible, EPA has estimated the total disposal volumes to be approximately 3,000,000 gallons. Assuming EPA uses a standard 2 inch meter and concludes its operations in 6 months, the total charges should be \$16,746 as detailed in the below table.

	Basic Charge	Estimated Volume* (1,000 gals)	Volume Charge (\$5.56 per thousand gals)	Total
Oct. 2014	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
Nov. 2014	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
Dec. 2014	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
Jan. 2015	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
Feb. 2015	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
Mar. 2015	\$ 10.99	500	\$ 2,780.00	\$ 2,790.99
	\$ 65.94	3,000	\$ 16,680.00	\$ 16,745.94

* EPA states the volume of rainfall received is unpredictable and could be more or less than the estimated amounts indicated above.

If this is also your understanding, please countersign below.

Sincerely,

James P. Cargas
Senior Assistant City Attorney

Agreed to as stated above.

David Askanase, Trustee
CES Environmental Services, Inc.

The estimates provided above are
reasonable and accurate.

Gary Moore, On-Site Coordinator
US Environmental Protection Agency
Region 6